

Microsoft Zune



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Situation Analysis

The Zune is a brand of portable media players in conjunction with supporting products designed and marketed by Microsoft. Microsoft is best known for being a computer producing company, but they do have numerous other items now on their market. Microsoft is a multinational computer technology corporation that develops, manufactures, licenses, and

supports a wide range of software products for computing devices. The first Zune was created by Microsoft in close cooperation with Toshiba. This first generation of the Zune was released in the United States on November 14th, 2006. Since 2006, Microsoft has come up with other generations of their product in order to compete with Apple's iPod. Microsoft's mission states, "Our mission and values are to help people and businesses throughout the world realize their full potential." With that said, Microsoft is doing just that, they are pushing the limits with their new products and competing side by side with the world's most well known company, Apple.

Since the first generation of the Zune, known as the Zune 30, there have been several other models created. The original Zune was a 30 gigabyte media player that also included an FM radio and a 3 inch screen. This Zune was available to the public for \$249.95. The first Zune came in black, white, and brown, and the original sales advertisement was used by celebrity Selena Gomez, in the hit movie, "Another Cinderella Story." In 2007 Microsoft created its second generation of the Zune. Three different types of the Zune came into play: Zune 80, Zune 4 and Zune 8. These all competed with Apple's iPod nano. The Zune 80 contained a 3.2 inch screen, where as the Zune 4 and the Zune 8 come with a 1.8 inch screen, and all devices are now installed with touchpad technology. The Zune 80 would cost \$249.99, the Zune 4 \$99.99, and the Zune 8 \$150.99. Those modifications still did not stop Microsoft from expanding their product even further than they had so far. In 2008, Microsoft announced the Zune 3.0 updates. With these new updates, users now have the ability to tag and later purchase songs heard on FM radios, and also purchase songs online via the Zune Marketplace. The current Zune has an access pass to unlimited online music, with a fee. Apple's iTunes makes customers pay outrageous amounts for a single song or album. The newest Zune, released in 2009, Zune HD,

has new and improved mind boggling capabilities. This Zune is the first touch screen Zune, and has HD capabilities such as HD radio, and ability to play all videos in HD quality. This new screen is now 3.3 inches and has wifi also included, to compete with Apple's iTouch. This newest Zune costs \$219.99 for a 16 GB device and \$289.99 for a 32 GB device. This new Zune can sync with computers, wireless networks, gaming, and also contains web browsing. Now the Zune comes in numerous colors such as black, platinum, red, blue, green, white and pink. Throughout the past four years, the Zune has made multiple improvements to its product. These impressive modifications put the Zune right at the top of the charts with the infamous iPod.

The current users of this product are mainly teenagers. These teens may want a high quality product, but not have the ability to be spending as much money as an iPod would cost. The Zune is ideal for a high quality product at an affordable price. This product isn't strictly for use by the younger generations, but for anyone, any age. Overall, consumers are pleased with their purchase after buying any one of the Zune generations. The Zune has multiple attributes that the iPod doesn't offer its customers, such as the FM radio, or Zune pass, which is similar to iTunes, yet allows consumers to get unlimited, downloads for a monthly fee. All in all, the Zune is being recognized for its uniqueness amongst other things in competition with the iPod.

Some problems that Zune users are experiencing would be their major competitor, Apple. Apple's iPod are very well known products throughout the world. Apple offers a similar product that is very well known though out the world. Apple is always coming out with the latest forms of technology for their customers. Apple has created numerous generations of their product the iPod, including various colors, capabilities, and even has a built in video camera now in the newest generation. Apple produces the iPhone which is very popular within our

culture today. Microsoft has not yet expanded to that extent with their product, but they definitely have the capability to give Apple a run for their money.

SWOT Analysis

Strengths- Fancy phone, it has many features such as HD radio, video and wireless capabilities and also many games. The Zune also allows users to share music with other Zune users. It has simple controls and navigation, podcast support, and it enables you to customize your background. The Zune also allows users to become a part of a community with Zune Marketplace, and has colorful advertising.

Weaknesses- Sound is not the best quality, it has lack of sources and wireless can be difficult to set up and sync. Zune is only capable with Microsoft Computers. Not many people know a lot about the Zune, it needs to be advertised more.

Opportunities- Zune offers incentives and promotions to create awareness. This also creates more interest and gives more exposure to the consumers. Advertisers have the opportunity to try and persuade people away from the iPod by offering a different type of mp3 player to consumers.

Threats- Bad economy, people may not want to invest in the new Zune, consumers don't have a lot of extra money to spend. Many people are wrapped up in the iPod and already own one. The Zune is targeted by Apple and has a lot of people comparing it to the iPod. iPod definitely hurts Zune's opportunity to be popular and get out into the market.

Key Strategic Decisions

Our advertising objectives and strategies are to increase sales of the Zune by increasing awareness. We will create more awareness by creating and displaying more advertisements in magazines and commercials. We have decided to use Taylor Swift as a celebrity spokesperson. Boys like her music and think she is pretty and girls respect her and like her music as well. She is a good role model for this age group. She will appear in our ads and TV commercials. Our target audience is teens and preteens with an age range of about 10-16 years old.

Media Recommendations

Media Strategies:

The media objectives of the Zune player are to reach 65% of teens, ages 10-16, 5 times a week during the first quarter of the campaign. Some media strategies include the media mix, which will hit a wide variety of teen magazines, and hit radio stations for teens. These should hit the media about 4 times a week, due to the high volume of getting more teens interested in our product. Scheduling strategies also include: 30 sec TV commercial (approx 4 times a week), 20 sec radio commercial (approx 3 times a week) and newspaper/ad magazine (approx 5 times a week). These all would increase the awareness of our product, in hopes for teens to purchase one.

Tactics:

Certain types of media will give us the best exposure of our ads. We want our target audience to see these commercials and advertisements as much as we can in order to spark their interest and knowledge of the Zune. We feel that ABC, MTV, Nickelodeon, and Disney

would be the best TV stations to have our commercials play on. Since our target audience is preteens and teens (10-16 year-olds), we figure they would watch TV programs on these stations. ABC would also be a good station because parents tend to watch programs on these stations, so they could get some ideas to give a Zune as a Christmas present or be able to see what their kids are talking about when they say they want a Zune. Effective magazines to put our ads would be magazines along the lines of Cosmo Girl, Teen Vogue, Boys Life, US Weekly, and People Magazine. These would expose our ads to preteens and adults.

Creative Brief

The problem the advertising must solve

- a. The big problem advertising must solve in the Zune's case is awareness. Not only that, but we have probably the biggest competitor out there, the Apple iPod. We must figure out a way to reach an audience on a way the apple does but better. As far as price, they are pretty much one in the same so we don't have a lower price advantage. There is a tiny price difference where the Zune is a bit cheaper, but the big picture is not really. We really need to communicate to our buyers and touch them in a way that apple cannot. We need to find a connection and advertise hard to get the awareness out there and stand out from the iPod.

(2) The selling premises

- a. **Benefit:** this product is everywhere you are, whether you a child in school, a stay at home mom, a working dad, you name it, the Zune is here for you, your

escape, it is made to fit your lifestyle whatever it may be. It can be altered to your preference. Although it is aimed more towards the younger generation.

- b. **Promise:** Use the Zune, become one with the world and everyone and thing around it. You will have a feel of satisfaction knowing if everything else is going wrong, the Zune is here for you to go right, you don't have to wonder if the Zune will be there on time to pick you up or if it has a test to study for, it's here to make all that at ease.
- c. **Reason:** because its everywhere you are. It's a new form of music technology that is user friendly, affordable, and everything you need and expect from an MP3
- d. **Unique Selling Proposition (USP):** Over the Christmas holidays, first 100 to buy a Zune and win tickets to see Taylor swift in concert! With every purchase, even after the holidays, you will receive a free music download for your Zune and you will receive a free Taylor Swift CD with every Zune Purchase up until the New Year.

(3) The big idea

- a. Our big idea is we are trying to be catchy and memorable like the iPod, but different. For example again our TV Commercial is going to be something really fun and catchy with different places people do in their everyday life and end it with the Zune "everywhere you are" the Zune is. And for the Magazine ad, it's visual as well. We have this huge pop star teen idol that is representing the Zune, giving the "well if Taylor has one,

we need one!” We are playing off words with the slogan “Everywhere you are” because right now times are tuff, the easier things are the better and we are trying to relate the Zune as an easy product that is created to fit your lifestyle, not the other way around. The slogan is our main theme that we are playing off of.

Creative Executions:

Magazine print ad

- We used Taylor Swift (our celebrity) that we chose in class who would best represent our product because she is young, popular, and very “in” these days. What we did was create an ad that has Taylor Swift holding a Zune (listening to her own song-You Belong with Me) singing. We want to create the image that, if Taylor Swift has one, we want one.

- **30 second TV commercial**

- For our TV commercial because the Zune’s Slogan is “everywhere you are” we decided to have a real fun catchy music theme playing in the background. Then we are going to have different scenes swirling in and out throughout the 30 seconds, for example a man at his business desk, a child at school, someone at the park, someone walking their dog, someone eating together as a family, someone sleeping, etc and all these scenes are going to twirl in and out and the last twirling scene will be the Zune and when it comes to front and center it will read across “Everywhere you are”. This is symbolizing that you can be at school, sleeping, eating everything that you do on a daily basis, the Zune does too. It is

the iPod to fit your schedule and work around you; it's the one thing that isn't complicated in your life.

Sources

- 1.) Bestbuy.com
- 2.) Microsft.com